RECEIVED

SPECK & AANESTAD

A PROFESSIONAL CORPORATION
ATTORNEYS

120 EAST AVENUE POST OFFICE BOX 987 KETCHUM, IDAHO 83340 In Constituent of Motor Description

pluses & D

TELEPHONE (208) 726-4421 FACSIMILE (208) 726-0752

June 3, 2002

Mr. Doug Rosenkrance Water District 34

PO Box 205

IAMES P. SPECK

jimspeck@cox-internet.com

DOUGLAS J. AANESTAD

aanestad@cox-internet.com

Mackay, ID 83251

Re: Upper Fish Hatchery Canal Issues

Dear Doug:

Dave Stoecklein has brought to my attention several matters regarding the Upper Fish Hatchery Canal diversion which need to be addressed as soon as possible. First, I understand you are delivering the entire 1.6 cfs of Water Right No. 34-00470A owned by Lynn Reno into the Canal. Enclosed is a copy of my February 27, 2001 letter to you, which previously brought up the issue raised by this diversion. You can only deliver the full amount of the Warm Springs Creek water right into the Canal if a diversion from Dr. Reno's well is properly limited to 0.36 cfs. On the other hand, if Dr. Reno'is diverting the full amount of his groundwater right (0.86 cfs) to irrigate his property, you must the diversion of the Warm Springs Creek water right to 1.1 cfs. Please confirm to me which way these rights will be administered this season.

A second issue relates to the ditch loss for all of the water rights delivered into the Canal. Under the terms of the parties' settlement of various disputes in the fall of 1999, you were to undertake two or three years studying the ditch loss and arrive at a final number. Have you completed the study? If so, have you reduced your findings to writing and provided them to all of the water right owners with rights in the Canal? We are very concerned that the original figure of 21% is too high and that the delivery into the Canal of this portion of those rights which have been transferred out of the Canal is allowing the remaining water right users (e.g., Unger and Johnson) to receive considerably more water at their ditch headgates than they are entitled to receive. For example, if the Ditch loss figure is correct, Unger should receive at his ditch headgate no more than 79% of the amount of his water rights delivered into the Canal headgate. Since appropriate measuring devices must now be in place at each headgate or turn out from the Canal, it should be fairly easy to check these diversion amounts.

Mr. Doug Rosenkrance May 31, 2002 Page -2

It is imperative that this matter be resolved as quickly as possible. I look forward to hearing from you shortly after receiving this letter.

> SPECK & AANESTAD A Professional Corporation

JPS/sgg

Dave Stoecklein cc:

Walter Stoecklein

Terry Scanlan

Mark Gates

Lynn Reno

Scott Johnson

Mike Creamer

Norm Young F:\WPDATAUIMStoecklein\WATER\LETTERS\Rosenkrance.Lir.02.wpd